

8 pages

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA  
SACRAMENTO DIVISION

In re:

JOHN D. REYNEN and JUDITH M. REYNEN,

Debtors.

Case No.: 08-25145

Chapter 11

MLG-022

In re:

CHRISTO BARDIS and SARA BARDIS,

Debtors.

Case No.: 08-34878

Chapter 11

MHK-009

**EXHIBIT C TO DISCLOSURE STATEMENT  
FOR DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION**

**(Projections of Plan Distributions and Liquidation Alternative in Reynen Estate)**

**John D. Reynen and Judith M. Reynen**  
**Claims Recovery Analysis of the**  
**Chapter 11 Plan versus Chapter 7 Liquidation**  
**Assumes June 30, 2009 Effective Date**  
**(Rounded to thousands)**

	Projected Chapter 11 Plan		Estimated			Projected Chapter 7		Estimated		
	Distributions		Recovery %			Distributions		Recovery %		
	Low	High	Low	High		Low	High	Low	High	Notes
I. Analysis of Net Proceeds										
Assets										
Cash	\$ 386,000	\$ 429,000	90.0%	100.0%		\$ 386,000	\$ 429,000	90.0%	100.0%	[1]
Tax Refunds	18,351,000	24,468,000	75.0%	100.0%		6,900,000	10,000,000	28.2%	40.9%	[2]
Assets Held for Sale - Gross Value	13,536,000	18,048,000	75.0%	100.0%		11,475,000	15,299,000	63.6%	84.8%	[3]
Buildco Residual Funds	0	142,000	0.0%	N/A		0	100,000	0.0%	70.4%	[4]
Causes of Action Recoveries	0	100,000	0.0%	N/A		0	50,000	0.0%	0.0%	[5]
	32,273,000	43,187,000	74.7%	100.0%		18,761,000	25,878,000	43.4%	59.9%	
Post-Effective Date Admin. Expenses										
Sale Period Compensation	315,000	315,000				N/A	N/A			[6]
Step Incentive Payments	769,000	1,335,000				N/A	N/A			[7]
Tax Refund Incentives	694,000	1,366,000				N/A	N/A			[8]
Assets Held for Sale, Carrying Costs	283,000	283,000				283,000	283,000			[9]
Assets Held for Sale, Selling Costs	1,354,000	1,805,000				1,148,000	1,530,000			[10]
U.S. Trustee Fees	51,000	51,000				N/A	N/A			[11]
Interest Income	(109,000)	(145,000)				(43,000)	(61,000)			[12]
	3,357,000	5,010,000				1,388,000	1,752,000			
Net Proceeds Available for Distribution	\$ 28,916,000	\$ 38,177,000				\$ 17,373,000	\$ 24,126,000			
II. Claims Recovery Analysis										
Secured Creditors										
Real Property Taxes	\$ 293,000	\$ 293,000				\$ 293,000	\$ 293,000			[13]
Secured Claims on Real Property	7,348,000	7,348,000				7,348,000	7,348,000			[14]
Secured Claims on Reynen Excluded Assets	(2,971,000)	(2,971,000)				(63,000)	(63,000)			[15]
	4,670,000	4,670,000	100.0%	100.0%		7,578,000	7,578,000	100.0%	100.0%	
Proceeds Available for Distribution	24,246,000	33,507,000				9,795,000	16,548,000			
Chapter 7 Administrative Claims										
Chapter 7 Trustee Fees	N/A	N/A				586,000	800,000			[16]
Chapter 7 Trustee's Professionals	N/A	N/A				500,000	250,000			[17]
Contingency Reserve	N/A	N/A				344,000	459,000			[18]
	0	0	N/A	N/A		1,430,000	1,509,000	100.0%	100.0%	
Proceeds Available for Distribution	24,246,000	33,507,000				8,365,000	15,039,000			
Plan Administration Expenses										
Plan Professional Fees	949,000	791,000				N/A	N/A			[19]
	949,000	791,000	100.0%	100.0%		0	0	N/A	N/A	
Proceeds Available for Distribution	23,297,000	32,716,000				8,365,000	15,039,000			
Priority Tax Claims										
Priority Tax Claims	224,000	224,000				224,000	224,000			[20]
	224,000	224,000	100.0%	100.0%		224,000	224,000	100.0%	100.0%	
Proceeds Available for Distribution	23,073,000	32,492,000				8,141,000	14,815,000			
Convenience Claims										
Convenience Claims	1,000	1,000				N/A	N/A			[21]
	1,000	1,000	100.0%	100.0%		0	0	N/A	N/A	
Proceeds Available for Distribution	23,072,000	32,491,000				8,141,000	14,815,000			
Unsecured Claims										
Deficiency Reduction Amount	(90,000,000)	(125,000,000)				(69,000,000)	(90,000,000)			[22]
Convenience Claims Reductions	(20,000)	(20,000)				N/A	N/A			[23]
Scheduled or Timely Filed Unsecured Claims	880,132,000	660,247,000				880,132,000	660,247,000			[24]
Late Filed Unsecured Claims	31,266,000	0				62,531,000	62,531,000			[25]
	\$821,378,000	\$535,227,000	2.8%	6.1%		\$873,663,000	\$632,778,000	0.9%	2.3%	

Projected Chapter 7 Distributions		Estimated Recovery %		Notes
Low	High	Low	High	
Assets				
\$ 386,000	\$ 429,000	90.0%	100.0%	[1]
6,900,000	10,000,000	28.2%	40.9%	[2]
11,475,000	15,299,000	63.6%	84.8%	[3]
0	100,000	0.0%	70.4%	[4]
0	50,000	0.0%	0.0%	[5]
18,761,000	25,878,000	43.4%	59.9%	
Admin. Expenses After Conversion to Chapter 7				
N/A	N/A			[6]
N/A	N/A			[7]
N/A	N/A			[8]
283,000	283,000			[9]
1,148,000	1,530,000			[10]
N/A	N/A			[11]
(43,000)	(61,000)			[12]
1,388,000	1,752,000			
\$ 17,373,000	\$ 24,126,000			
Secured Creditors				
\$ 293,000	\$ 293,000			[13]
7,348,000	7,348,000			[14]
(63,000)	(63,000)			[15]
7,578,000	7,578,000	100.0%	100.0%	
9,795,000	16,548,000			
Chapter 7 Administrative Claims				
586,000	800,000			[16]
500,000	250,000			[17]
344,000	459,000			[18]
1,430,000	1,509,000	100.0%	100.0%	
8,365,000	15,039,000			
Plan Administration Expenses				
N/A	N/A			[19]
0	0	N/A	N/A	
8,365,000	15,039,000			
Priority Claims				
224,000	224,000			[20]
224,000	224,000	100.0%	100.0%	
8,141,000	14,815,000			
Convenience Claims				
N/A	N/A			[21]
0	0	N/A	N/A	
8,141,000	14,815,000			
Unsecured Claims				
(69,000,000)	(90,000,000)			[22]
N/A	N/A			[23]
880,132,000	660,247,000			[24]
62,531,000	62,531,000			[25]
\$873,663,000	\$632,778,000	0.9%	2.3%	

**John D. Reynen and Judith M. Reynen**

Unaudited

Draft - Subject to Modification

**Summary Claims Analysis**
**Projected Chapter 11 Plan- High Recovery %**
**Assumes June 30, 2009 Effective Date**

(Rounded to thousands)

	Reynen Scheduled Claims	Contingent, Unliquidated, or Disputed Scheduled Claims	Post Filing Reduction in Scheduled Claims	Reclassification to Class C Convenience Claims	Reclassification of Secured Deficiency to Unsecured	Estimated Allowed Claims as of the Effective Date
Claims Classifications	[1]	[2]	[3]	[4]	[5]	[6]
Administrative (Non-ordinary course)						\$ 1,970,000
						<u>1,970,000</u>
Priority Claims						
Class A1 Reynen	2,766,000		(2,542,000)			<u>224,000</u>
						<u>224,000</u>
Secured Claims						
Class B1.1 Silver Oak Reynen	3,520,000				(3,520,000)	-
Class B1.2 AKT	560,000		(387,000)		(173,000)	-
Class B1.3 Bank of America - Sacramento	1,500,000					1,500,000
Class B1.4 CBT	107,000					107,000
Class B1.5 Chase	63,000					63,000
Class B1.6 Merrill Lynch	1,015,000					1,015,000
Class B1.7 PNB	393,000					393,000
Class B1.8 Wells - Wallace	381,000				(71,000)	310,000
Class B1.9 Wells - Mendocino	2,240,000					2,240,000
Class B1.10 Wells - Truckee	1,015,000					1,015,000
Class B1.11 Wells - Reno	840,000				(135,000)	705,000
Class B1.12 Other Reynen	414,000	(121,000)				293,000
Other - Bank of Amador	1,733,000		(1,733,000)			-
Other - Umpqua	2,700,000		(1,800,000)		(900,000)	-
Other - Savings Bank of Mendocino	1,750,000		(1,500,000)		(250,000)	-
						<u>7,641,000</u>
Convenience Claims						
Class C1 Reynen				1,000		<u>1,000</u>
						<u>1,000</u>
Unsecured Claims						
Class D1 Reynen	924,213,000	(72,499,000)	(321,516,000)	(20,000)	5,049,000	<u>535,227,000</u>
						<u>\$ 535,227,000</u>

**Notes:**

**[1]** Reflects the dollar amount of claims scheduled in the Reynen Estate's amended schedules.

**[2]** Reflects the dollar amount of Unsecured Claims scheduled in the Reynen Estate's amended schedules as either contingent, unliquidated, or disputed in which a claim has not been received as of April 2009. An unknown number and dollar amount of claims may yet to be received from the Bankruptcy Court. As such, the total claims population has not yet been determined.

**[3]** Reflects deficiency caps and post-filing reduction in deficiency claims due to proceeds from net build-outs, foreclosure bids, and property sales.

**[4]** It is assumed that all Class D claims less than \$2,500 will elect for reclassification to Class C Convenience Claims.

**[5]** Reflects reclassification to Unsecured Claim for the deficiency balance on Secured Notes in which collateral has been sold or foreclosed subsequent to the Petition Date.

**[6]** Reflects net amount of Allowed Claims.